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**Implementation Of The Revenue Enhancement Plan And Service Delivery In Butiaba Sub County, Buliisa District, Uganda**

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**ABSTRACT**

The study investigated the effect of implementation of the revenue enhancement plan on service delivery in Butiaba sub county, Buliisa district, Uganda. The study adopted a cross sectional and correlation survey design complemented with a qualitative and quantitative approach. The study population was 176 and 124 formed the sample size selected using the purposive and simple random sampling. Information was elicited using questionnaire, interview and documentary review checklist. A response rate of 63% was obtained as recommended by Amin (2005). Key findings suggested a positive significant relationship between implementation of the revenue enhancement plan and service delivery (0.342\*\*). The study concluded that local community had less knowledge about revenue management and needed sensitization; de-motivated BSC staffs underperformed assignments and recruitment at the BSC was influenced. It was recommended that logistical support should be provided to the revenue assessment team; budget and clearly identify untapped revenue sources; conduct more community dialogue meetings and the need for a more autonomous hiring process.

**Keywords: Revenue, Enhancement, Implementation, Service Delivery.**

**Introduction**

Revenue management in terms of public institutions can be traced back to the early 1800s and later 1900s when Great Britain started some of its projects that required a continuous flow of resources from entities in the form of taxes (Brian & Jacob, 2023). The need for public revenue demanded that taxes be raised immediately, and many people became interested in how the public revenue realized from taxes was planned and ultimately spent to satisfy public demands (Tasha et al., 2023). The public department is as old as when public institutions started offering public services to people without charge. In the case of the United States of America, public revenue management can be traced back to the deregulation of the US airline industry in the early 1970s (Ramadhan et al., 2023). The revenue management variable is tied to many governments and has evolved as one of the best ways to flaunt revenue bases and be able to fund budgets that are meant to benefit citizens in the form of roads, markets, health centers, safe water and more. citizens (Ssenjala, 2017).

In the case of Uganda, local revenue administration is still very sensitive and dates back to when Uganda gained independence in 1962 under Britain as its colonial rulers (Kazaara & Christopher, 2023). During this period, Uganda was structured into districts, with each district divided into manageable wards, tasked with administratively managing its routine operations supported by locally generated local revenue (Paul et al., 2023).

To date, the issue of local revenue management is a task that is closely carried out by ministries, specifically by local self-government. These local governments consider revenue management as a very sensitive role which was provided and guided by the Local Government Act 1997 and enshrined in Chapter XI of the Constitution (Ntirandekura et al., 2022). The structure of the BSC is based on a five-tier structure of local self-government comprising sub-regions, parishes and villages. It is for these entities that local revenue management must be closely managed by ensuring that planning, coordination

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and staffing are well managed and therefore able to improve revenue collection and not forget to use it to provide better services to taxpayers (Organization for Economic Co-operation operation and development, 2006).

It should also be noted that the local revenue administration in the sub-region has focused on key priority activities. These ranged from preparing budget estimates and revenue enhancement plan, conducting comprehensive tax assessment and registration of new businesses (Ramadhan et al., 2023), additional registration, mobilization and sensitization of revenue sources and organizing and conducting sensitization meeting on various taxes for effective among other things, revenue collections were often organized for the purpose of better revenue management (BSC budget reports, 2013/2014/2015/2016).

BSC, provides a number of required urban services, namely proper infrastructure planning, provision of safe water, improvement of basic education, maintenance of urban roads, garbage collection and disposal, as well as addressing other cross-cutting issues such as environment, HIV/AIDS, gender and human rights. The study was therefore based on the above historical information. Buliisa district was carved out of Masindi district in July 2006 as part of the 1992 decentralization policy (Musaibah et al., 2023). The policy ensures the

transfer of political, administrative and fiscal functions and powers from the central government and its agencies to local governments and administrative units, thereby improving accountability and efficiency in service delivery and encouraging local ownership of programs and projects, with the ultimate goal of bringing services closer to the people (Constitution of the Republic Uganda, 1995 and Local Government Act, 1997).

The district is located in the Bunyoro sub-region - the central western part of Uganda with its seat 320 km from Kampala. It borders Nebbi and Nwoya districts to the north, Masindi to the east, Hoima to the south and the Democratic Republic of the Congo to the west. The district has six sub-districts, 4 town councils, 37 parishes and 125 villages with a total population of 115,506 people, 21,704 households (Faith et al., 2023). The study will be conducted in Buliisa as the district has faced intense challenges in providing services to the people since its inception. It testifies to this; poor road networks, poor water supply and sanitation systems, among others in adequate health services (Fiscal Year 2016/2017 and 2017/2018 Buliisa District Council Scorecard Reports). Yet over the same period (2016/17 to 2021/2022) there have been percentage declines in local income of 74%, 40%, 50.3%, 35.2% and 51.8%. Such a scenario is summarized in Table 1: below;

**Table 1: Local Revenue Budget outturn for the FY 2016/17-2021/22**

| Local Revenue | 2016/17  |                 |            | 2017/2018 |                 |            | 2018/2019 |                 |            | 2019/2020       |                 |            | 2020/2021       |                 |            | 2021/2022       |                 |            |
|---------------|----------|-----------------|------------|-----------|-----------------|------------|-----------|-----------------|------------|-----------------|-----------------|------------|-----------------|-----------------|------------|-----------------|-----------------|------------|
| UGX( 000s)    | Approved | Actual received | % out turn | Approved  | Actual received | % out turn | Approved  | Actual received | % out turn | Approved budget | Actual received | % out turn | Approved budget | Actual received | % out turn | Approved budget | Actual received | % out turn |

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**Research Question**

What is the relationship between implementing the revenue enhancement plan on service delivery in BSC, Uganda?

**Hypothesis**

Implementing the revenue enhancement plan significantly affects service delivery.

**Methodology**

This study used the cross sectional and correlation survey design to gather information from a sample of beneficiaries for the purposes of constructing quantitative descriptors of the attributes of the larger population of which the entities are members' (Groves et al., 2004). In addition, the mixed method triangulation involving both qualitative and quantitative approaches was used where the qualitative approach was used to elicit non numeric information about key events in the research settings and the quantitative approach helped the researcher to obtain numeric facts about the study hence helping the researcher to numerically provide conclusive study findings.

The population was 176 respondents and comprised of (1) sub county chief (1), community development officer (1), fisheries officer, (1) sub accountant and (1) parish chiefs (2) and (170) local community members. Data was analyzed inform of tables, frequencies and percentages using SPSS (Nelson et al., 2022). A sample size is a subset of a population. The sample size for the study was calculated using Krejcie & Morgan (1970) Table and a population of 176 a sample size of 124 respondents.

**Table 2: Accessible population, sample size and sampling technique**

| <b>Category of respondents</b> | <b>Accessible Population</b> | <b>Sample size</b> | <b>Sampling Technique</b> |
|--------------------------------|------------------------------|--------------------|---------------------------|
| Sub County Chief               | 1                            | 1                  | Purposive                 |
| Community Development Officer  | 1                            | 1                  | Purposive                 |
| Fisheries Officer              | 1                            | 1                  | Purposive                 |
| Sub Accountant                 | 1                            | 1                  | Purposive                 |
| Parish Chiefs                  | 2                            | 2                  | Purposive                 |
| Local Community Members        | 170                          | 118                | Simple random             |
| <b>Total</b>                   | <b>176</b>                   | <b>124</b>         |                           |

**Source:** Butiaba Sub County Records (2021) and determined using Krejcie & Morgan (1970)

**Results**

Implementing the revenue enhancement plan formed dimension two of revenue management and was categorized into three indicators namely motivating staff, capacity building and recruitment of skilled staff from which questions were asked. Table 3 below provides the computations.

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**Table 3: Statements about implementing the revenue enhancement plan**

| Statements about Implementing the revenue enhancement plan                                                | SD<br>1     | D<br>2      | UD<br>3     | A<br>4      | SA<br>5   | Mean | Std Dev |
|-----------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-----------|------|---------|
| I am well versed with the issues of implementing the revenue enhancement plan within the Sub county       | 44%<br>(32) | 21%<br>(15) | 24%<br>(17) | 7%<br>(5)   | 4%<br>(3) | 2.06 | 1.161   |
| As a Sub county staff I am well motivated to engage in the implementing of the revenue enhancement plan   | 47%<br>(34) | 21%<br>(15) | 28%<br>(20) | 3%<br>(2)   | 1%<br>(1) | 1.90 | .955    |
| Implementing the revenue enhancement plan is an easy task for me as a Town Council staff                  | 47%<br>(34) | 22%<br>(16) | 25%<br>(18) | 4%<br>(3)   | 1%<br>(1) | 1.90 | 1.009   |
| BSC ensures capacity building for its staff intended to better the implementation of the revenue plan     | 49%<br>(35) | 19%<br>(14) | 25%<br>(18) | 6%<br>(4)   | 1%<br>(1) | 1.92 | 1.045   |
| The capacity building process is fairly done and is transparently managed across all BSC staff            | 43%<br>(31) | 24%<br>(17) | 26%<br>(19) | 6%<br>(4)   | 1%<br>(1) | 1.99 | 1.028   |
| BSC ensures the timely recruitment of skilled staff to support revenue mobilization within the Sub county | 26%<br>(19) | 21%<br>(15) | 37%<br>(27) | 14%<br>(10) | 1%<br>(1) | 2.43 | 1.072   |
| The exercise is fairly managed to hire the skilled staff                                                  | 28%<br>(20) | 17%<br>(12) | 42%<br>(30) | 14%<br>(10) | 0%<br>(0) | 2.42 | 1.045   |

**Source: Field data**

A fraction of 63% (47) and mean = 2.06 indicate that many respondents disagreed that they were versed with the issues of implementing the revenue enhancement plan within the Sub county compared with 11% (8) agreed and 24% (17) were not sure which implies that the local community within the sub county lacked awareness on how local revenue was mobilized with fewer actually understanding the concept which negatively affected the delivery of local services (Faith et al., 2023). “BSC still faces several challenges with ensuring that the developed or designed revenue plans are well implemented which has affected the collection of local revenue that is used to support service delivery. The implementation has remained poor despite all efforts made” said a BSC official.

As a Sub county staff I feel well motivated to engage in the implementation of the revenue enhancement plan was another question asked. Responses obtained included standard deviation score of .955; mean score of 1.90, 68% (49) who disagreed, 28% (20) were undecided and only 4% (3) disagreed. The findings reveal weaknesses in motivating BSC staff who are directly involved in the implementation of the revenue plan hence a source of frustration and a demoralizing factor to realization of both local revenue and extension of local services (Christopher et al., 2022). “The remunerations provided to

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*the TC staff who are directly responsible for ensuring the implementation of the local revenue plans have remained low which had derailed them from fully executing their tasks. This has negatively affected service delivery in the long run”*

Many respondents 67% (50) disagreed that implementing the revenue enhancement plan is an easy task for them as a Sub county staff while 25% (18) were undecided and 5% (4). The findings indicate that implementing the revenue enhancement plan was still a difficult challenge for TC staff and therefore a local revenue loophole which affects the delivery of services within the Sub county (Winny et al., 2023).

A fraction of 68% respondents, mean score of 1.92 and standard deviation=1.045 disagreed that BSC ensured capacity building for its staff in order to better the implementation of the revenue enhancement plan compared with only 7% disagreement and 25% neutrality. Additionally, 66% respondents disagreed that the capacity building process is fairly done and is transparently managed across all BSC staff however, 26% were neutral and 7% agreed respectively. The result suggests unfairness in BSC staff capacity building opportunities and hence a possible gap in the implementation of the revenue enhancement plan which affects both local revenue management and service delivery. *“The issue of capacity building is applicable to all staff however, some staff are more frequently engaged in trainings than others which raises an eye bow”* said a BSC official (Victoria et al., 2023)

Finally, a mean score of 2.43 and 47% (34) disagreed that BSC ensures the timely recruitment of skilled staff to support the implementation of the revenue enhancement plan within the Sub county however, 37% (27) were undecided and 15% (11) agreed. In addition, a standard deviation of 1.045 and 35% respondents disagreed that the exercise is fairly managed to hire the skilled staff, 42% were undecided and 14% agreed (Victoria et al., 2023). The findings reveal skills gaps lacking among some BSC staff and weaknesses in BSCs’ hiring process which explains the failure in the successful implementation of the revenue enhancement plan. This is in accordance with a qualitative response that was provided by an interviewee who observed that: *“The sub county still has vacancies that have not been filled which has created more personnel gaps which has a direct effect on implementing the revenue enhancement plan”*

#### **Correlation results for implementing the revenue enhancement plan and service delivery**

The correlation in this study was determined using the Pearson correlation technique and results are provided below.

**Table 4: Correlation results for implementation of the revenue plan**

|                       |                     | Implementation revenue plan | Service delivery |
|-----------------------|---------------------|-----------------------------|------------------|
| Implementing the plan | Pearson Correlation | 1                           | .342**           |
|                       | Sig. (2-tailed)     | .72                         | .003             |
|                       | N                   |                             | 72               |
| Service delivery      | Pearson Correlation | .342**                      | 1                |
|                       | Sig. (2-tailed)     | .003                        | .72              |

|   |    |  |
|---|----|--|
| N | 72 |  |
|---|----|--|

The study found out that a significant positive relationship existed between implementation of the revenue enhancement plan and service delivery (.342\*\*) in BSC which suggests that motivating BSC staff, encouraging capacity building and recruitment of skilled staff would provide a stable local revenue base to support service delivery (Ntirandekura & Christopher, 2022b).

#### **Regression results for implementation of the revenue enhancement plan and service delivery**

The regression analysis was used to determine whether implementation of the revenue enhancement plan had a variance on service delivery at BSC. Below are details that were computed

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .342 <sup>a</sup> | .117     | .104              | .90398                     |

a. Predictors: (Constant), revenue enhancement planning

Results presented include R as .342, R squared as .117, adjusted R square as .104 and standard error of the estimate as .90398 using the predictor; implementation of the revenue enhancement plan.

The R<sup>2</sup> value of .104 suggests a 10.4% variance that implementation of the revenue enhancement plan had on service delivery in BSC while the remaining percentage of 89.6% could be attributed to other factors not studied (Nelson et al., 2023). To conclude, hypothesis two that implementing the revenue enhancement plan significantly affects service delivery was accepted (h1) and the null (h0) rejected based on the inferential results presented that suggest a significant positive effect of revenue enhancement plan on service delivery.

#### **Discussion**

The study found out that implementation of revenue plan specifically motivating staff, capacity building and recruitment of skilled staff were instrumental in realizing the timely delivery of required services within the TC. In addition, statistical findings revealed that implementing the revenue enhancement plan is an easy task for me as a Sub County staff. To cement that findings is Mbufu (2011) who argues that most LGs produce optimistic and thus unrealistic revenue budgets, which in turn create frustration amongst the implementers who have to slow down or put on hold on-going and planned activities. This frustration could however be avoided if the principle of producing sound revenue budgets was taken seriously by the politicians and technocrats which is always difficult to adhere to due to political interests as well as lack of well-trained personnel to formulate sound revenue budgets (Robert, 2011). The task of ensuring that revenue enhancement plan is well implemented is a complex one to any TC. This is so because a series of procedures have to be carefully followed to realize a good plan. However, as can be noted, BSC still has unexploited or untapped revenue base that need to be considered. Secondly, the local communities still have a knowledge gap where they are unaware of the need to pay for taxes which are used to extend or deliver required services to them. Further to note, respondents agreed that the implementing the revenue enhancement plan exercise was fairly managed to hire the skilled staff. The findings concur with Onwe (2009) who argue that manpower capacity of the LG composition of the staff of the local government will not yield the desired result. And that

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there is also a skill gap among the few senior staff of the local government. There is no debate that hiring skilled staff does not yield positive results as far as revenue management is concerned. The combination of capabilities, abilities and knowledge in line with skills are critical in ensuring technical expertise that is required to improve revenue collection that is used to foster effective service delivery. In addition, the inability of the TC to fill the vacant posts has widened the implementation of the revenue enhancement plan. This gap requires immediate closing.

### **Conclusion**

From the discussion held on revenue enhancement plan and service delivery, it was learnt that more Sub counties need to sensitize more local community members as these are inadequately equipped with knowledge about implementing the revenue enhancement plan. In addition, demotivated staffs underperformed assignments and autonomous recruitment of competent staff was nowhere within the BSC.

### **Recommendation**

On revenue mobilization and service delivery, the following are recommended namely:

The researcher recommends that Butiaba Sub County (BSC) works closely with its planning and finance units need to budget and clearly identify untapped local revenue sources for instance cattle loading sites and produce fees. These will provide sources of local revenue that will be used to finance the delivery of local services.

It is recommended that Butiaba Sub County (BSC) in line with its Local Council leaders consider using community sensitization or community dialogue meetings to elicit information about all available sources of revenue specifically the untapped or silent sources identified in the first recommendations.

Finally, Butiaba Sub County (BSC) works closely with its personnel office need to ensure an autonomous hiring process where only qualified skilled staff are identified to fill vacant posts for instance, enforcement officers, ward agents among others. The process will avail equal opportunities to potential candidates capable of fill the job. It will improve local revenue collection as well as the delivery of services

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